

Exhibit 98

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Dealers' data dilemma

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How to protect customer info yet allow DMS access to vital vendors

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Ryan Béene

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Protecting customers' sensitive data has become a thorny issue for dealers.

Dealers are using more digital services that require access to dealership data, such as tools that send vehicle inventory data to car-shopping Web sites.

But with customer credit information, Social Security numbers and other sensitive information stored in dealership computers, dealers must ensure that personal information stays out of the hands of strangers.

Dealers, automakers and dealership software rms all agree that dealership data must be protected. The industry is closing in on a solution, but it's far from universally accepted.

In August, the issue moved front and center when Reynolds and Reynolds Co., a major provider of dealership management software, cracked down on unlimited third-party access to dealer data. Reynolds now requires vendors to get its approval to get unlimited access to data at some 250 dealerships.

Moreover, in December Group 1 Automotive, the nation's fourth-largest auto retailer, canceled contracts that 42 of its stores had with TrueCar.com, the online auto shopping service. Group 1 cited concerns about the security of data pulled by TrueCar from the dealers' computer systems.

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But third-party vendors that require access to a dealership's computers can help a dealer save time and money. Dealers use vendors for services such as automatically updating vehicle inventory listed online or telling the dealer what inventory is available in his market. Factories also rely on computer access to monitor sales, incentives and inventory.

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To solve the problem, some dealers are creating their own ways to protect data that will still allow them to continue to use vendor services.

Concerns over privacy, liability

Patrick McKinley, controller for Uftring Auto Group, of Peoria, Ill., says dealers could inadvertently release customer information if vendors misuse their data.

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The problem is that many dealers don't know what information or how much is being plumbed from their computers.

"Three years ago, we became concerned about third-party access because we didn't really know what they were taking," McKinley said. To investigate, McKinley logged a phantom vehicle sale to "Patricia McKinley" -- a fake customer -- in his dealership's computer system. He used his home address as Patricia's address.

A month later, he entered a service report for an oil change for Patricia into his system. Within six months he received solicitations for Patricia to buy an extended service contract from a vendor with which his dealership had never done business. An Uftring vendor was reselling information from his dealership management system, McKinley said.

"Patricia McKinley only existed in our DMS," McKinley said. "Our biggest fear in all of this is that we want to know positively that when we have customer information that we're protecting that data."

In the years since, McKinley has developed his own system to protect DMS data. He developed software that selects dealership data needed by vendors and stores the data on a secure Web site outside his DMS. That gives a vendor what it needs without granting direct access to the Uftring group's DMS.

Restricting access

Reynolds' move in August to restrict outside access was intended to create a system in which the company and dealers can monitor and track what information is being used and by whom, said Reynolds spokesman Tom Schwartz.

Now, Reynolds has a list of about 100 "certified" vendors that Reynolds has allowed to have access to dealership DMS systems.

Reynolds also has tools that are similar to what McKinley developed. Reynolds users can pull only the information that vendors need and park it in a safe place outside the walls of the DMS where it can be pushed to a third-party vendor, Schwartz said.

"What we're trying to do is block unmonitored automated access to the DMS," he said.

Philip Zelinger, CEO of dealer marketing firm Ad Agency Online, of Boca Raton, Fla., and a former dealer, said dealers need technology products from vendors to be competitive. Those products need data to work, and the DMS is the best source of the data, he said.

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He agrees that vendors should have limited access and restricted use of DMS data. But Zelinger is concerned that draconian actions to secure data could potentially prevent dealers from using vendor services at all.

"This dialogue could create a backlash on the dealers and the perception of the opportunities for the use of DMS data for appropriate internal uses and could create re walls that lter out thir d-party vendors," Zelinger said.

Some headaches have already surfaced. The Reynolds crackdown on vendor access to DMS data interrupted the operations of some of its dealer clients late last year. Grogan's Towne Chrysler-Jeep-Dodge-Ram in Toledo, Ohio, told *Automotive News* in November that it lost an estimated \$20,000 in business over a v e-day period because one of its vendors had its DMS access blocked by Reynolds.

The vendor, IntegraLink, was unable to share the dealership's vehicle inventory data with other vendors that post inventory on shopping Web sites such as Cars.com and AutoTrader.com. IntegraLink is a service that automatically extracts DMS data for other vendors.

Reynolds' Schwartz acknowledges the value that vendors can bring to dealerships.

"As the market continues to change for how dealerships reach, attract and retain customers, I think they will be increasingly looking for creative, smart tools and ways they can reach and engage these customers and it's invariably going to be a digital tool," he said.

"One of our objectives is to put more control of DMS data in the hands of dealers so they can do whatever they need to do."

Anticompetitive?

Some in the industry view DMS providers' attempts to control data access as anticompetitive. For example, if a DMS provider blocked vendors offering customer relationship management systems while offering its own service, dealers may be unfairly steered toward purchasing the DMS provider's product.

"DMS providers like Reynolds and Reynolds and ADP may very well have great solutions to expand their platform, but it's unlikely -- and in reality it's not the case -- that they have the best of everything," said Zelinger, the former dealer turned Internet marketer.

"It's not in the dealer's best interest because it limits their options, selection and choice for the best-in-class for individual solutions."

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McKinley, the Uftring group controller, said the driving force behind his work is protecting the personal information of more than 200,000 customers.

A broader effort to educate the industry about data security and how it affects dealers, vendors and automakers is needed to protect consumer information.

"What I would really like to see is the dealers, DMS providers and manufacturers all get into a room together to figure out how this data can be used but the customers are protected," he said. "We say we're protecting their data, but are we?"

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